Malnad Improvement.

READ—

Government Order No. L. 1891-902—Sany. 50-24-13, dated 8th September 1925, constituting a Committee to consider the Report of the Special Economic Survey Officer for the Malnad.

2. Letter No. 4580, dated 18th—21st December 1925, from the Secretary of the above Committee, forwarding the report of the Committee (printed as an Annexure).

ORDER No. C. 1-50—SANY. 17-26-1, CAMP, MYSORE, DATED THE 11TH OCTOBER 1926.

In reviewing, in their Order No. L. 2891-904—Sany. 28-24-1, dated the 1st October 1924, the work done under the Malnad Improvement Scheme in the period of about ten years during which it had been in operation and laying down their policy in this respect for the future, Government reserved the question of establishing a Land Mortgage Bank in the Malnad for further consideration; and as a preliminary measure directed that a general economic investigation of at least one typical taluk in each of the three Malnad Districts be made by an officer specially deputed for the purpose. Orders for carrying out such a survey were issued in January 1925 and the work was entrusted to Mr. S. Kesava Iyengar, Professor of Economics, Hyderabad, as Special Officer. On further consideration, it was ordered that the survey be confined to some typical villages in the first instance. The Special Officer completed the survey and submitted a report in July 1925, embodying the results of his investigations. As the report covered a wide range of matters coming within the purview of several departments, Government considered that a detailed examination of the various questions involved was necessary, and for this purpose constituted, in the first order read above, a Committee with Mr. K. Chandy, Member of Council, as Chairman and the gentlemen noted in the margin as members. The Committee completed their work and submitted a report which was published for general information in January last. A note on three of the main recommendations of the Committee, *viz.*, those regarding the establishment of Land Mortgage Banks, the introduction of a Record of Rights, and legislation for the relief of indebted agriculturists, was placed before the Representative Assembly at the last Budget Session. The Government have also had the benefit of the opinion of that House on these matters.

1. Mr. C. S. Balasundaram Iyer,
2. „ K. Matthan,
3. „ P. G. D'Souza,
4. „ N. S. Subba Rao,
5. „ A. K. Syed Taj Peeran,
6. „ R. Nanaswami Rao,
7. „ G. B. Heblikar,
8. „ N. S. Nanjundiah,
9. „ C. Srinivasa Rao,
10. „ C. Subba Rao,
11. „ Silvester Pais,
12. „ Bagamane Devagowda,
13. „ A. Mahomed Hussain, and
14. Col. W. L. Crawford.

2. The proposals made by the Committee can be classified into two groups, *viz.*, those relating to the extension or modification of measures already sanctioned (including proposals for the revival of arrangements previously in force but latterly discontinued) and those on which final orders of Government are now required. The suggestions of the Committee in respect of medical relief and sanitation, improvement of tanks, provision of additional facilities under education, transport, cultivation and other similar matters come under the first group. The proposals that a special agency be established for Malnad Improvement work, that a Committee be formed for each district for giving advice as regards improvement measures and that an annual Conference be held to review the work done under this scheme also come under this group.

3. The Committee have placed in the forefront of their recommendations the proposal for the establishment of Land Mortgage Banks. The question of a Land Mortgage Bank in the Malnad has been under consideration for a long time. It was considered more than once by the Economic Conference and definite proposals were submitted by the Conference for the formation of a Bank. The question also was considered by the Co-operative Committee appointed by Government in 1920 and detailed proposals regarding such Banks are contained in pages 40 to 42 of the Report of that Committee. The proposals of the present Committee now under consideration have been made after an examination of the whole question *de novo* and proceed more or less on the lines suggested by the Economic Conference and the Co-operative Committee, with the modification that separate Banks are proposed for each district. The present Committee also consider that it is desirable to introduce a Record of Rights, at least in the area coming under the operation of these Banks, and to undertake legislation for the relief of agriculturist debtors. When these proposals were placed before the recent session of the Representative Assembly, it was found that the members of that House were in favour of the establishment of these Banks, and the introduction of the two other measures in connection therewith.

4. Government have carefully considered the questions involved in these proposals, and are of opinion that while provision for long-term credit is very much needed in the Malnad, it is difficult to say whether Land Mortgage Banks of the kind proposed are best suited for providing that credit. Nor is it certain that a Record of Rights and a Debt Relief Act would operate altogether for the benefit of the agricultural population in the Malnad.

Land Mortgage Banks are new to India and their working in British Indian Provinces cannot be said to have yet passed the stage of experiment. In view, however, of the fact that successive Committees have proposed the establishment of Banks of this class and that the opinion of the Representative Assembly is in favour of the measures recommended, Government are prepared to give the scheme a trial. They feel, however, that there is need for proceeding cautiously in the matter. They are accordingly pleased to direct that steps be taken to establish three Banks as proposed by the Committee with the modification that each Bank will, for the present, operate over only one taluk. The Shimoga District Bank will have jurisdiction only over the Sagar Taluk, that of Kadur over the Koppa Taluk and that of Hassan over the Saklespur Taluk.

5. The main objects of the Land Mortgage Banks will be the redemption of mortgages and the improvement of lands. The capital of each Bank will, for the present, consist of two lakhs of rupees made up of 8,000 shares of the value of Rs. 25 each. The funds of the Bank will consist of share capital, loans, deposits, grants, and other miscellaneous items. The Bank will also be authorised to issue debentures to the extent of 50 per cent of the value of the lands mortgaged to it, provided that the total liabilities of the Bank do not exceed five times the share capital of the Bank. Loans should be restricted to a minimum of Rs. 500 and a maximum of Rs. 5,000 in the case of individuals and a minimum of Rs. 5,000 and a maximum of Rs. 20,000 in the case of Co-operative Societies. The interest on debentures issued by the Bank as well as that which it will charge in respect of the loans given to the members, should be fixed with reference to the conditions of the money market prevailing at the time the transactions take place. The principal and the interest due by the members will be discharged by a system of equated payments extending over a period of 25 years. Government will be prepared to finance each of these Banks to the extent of a lakh of rupees and to give necessary assistance in their management. The exact manner in which such financial assistance will be given, whether by a guarantee of interest on debentures or in any other suitable form, will be settled with reference to the requirements of each Bank as soon as the other details connected with the starting of the Banks are worked out. They also generally approve of the draft bye-laws for the Banks appended to the report of the Committee.

6. The Record of Rights will be introduced in the three taluks to which the operations of the District Land Mortgage Banks extend. Orders have already been passed deputing Mr. Heblikar to study the working of this system in the Bombay Presidency and to submit proposals for the introduction of this system into the three taluks. Separate orders will issue regarding the details of this measure on receipt of his proposals.

7. Government will also take steps to undertake legislation on the lines of the Deccan Agriculturists' Relief Act at the earliest possible opportunity. The operation of this measure will, as in the case of the Record of Rights, be confined to the three taluks in which the Land Mortgage Banks carry on their operations. A Bill for this and for other purposes will be immediately prepared and placed, if possible, before the next Dasara Session of the Representative Assembly for the consideration of that House.

8. The Committee propose that for carrying out the measures suggested by them in connection with medical relief and sanitary and other improvements, a special establishment should be appointed. A special staff of the kind proposed was once sanctioned under the old Malnad Improvement Scheme and was abolished only in 1921. Government consider that it is not desirable to revive the arrangement of having a separate establishment for carrying out improvement measures of the kind under reference. These measures all come within the normal activities of one or other department of Government and should be attended to by these departments. Any extra establishment or funds required for carrying them out should be applied for by the respective departments of Government. In the same connection, the Committee have considered the question of re-adjusting the Malnad Districts for administrative convenience, and in view of the difficulties of such adjustment, have suggested that it may be desirable to form separate District Boards for the purely Malnad areas. Government are not in favour of making any changes in the administrative jurisdiction of the Kadur and Hassan Districts. The question of forming separate District Boards for the purely Malnad areas will be deferred for consideration till after the Boards—one for each district—are formed under the District Board Regulation of 1926 and some experience is gained of the working of those Boards.

9. The proposal of the Committee regarding the appointment of District Committees to advise on improvement measures amounts to the revival, with some modifications, of the Committees which were previously in existence for the same purpose but were abolished when Malnad Improvement work was added on to the work of the District Boards of the respective districts. Government approve of the proposal to revive District Committees as they would be able to give their entire attention to Malnad Improvement matters. The Committee in each district will consist of the Deputy Commissioner as President and President of the District Board, the District Medical Officer, the District Inspector of Education, the District

Forest Officer, the District Health Officer, if any, the Executive Engineer and the Sub-Division Officers of the Malnad Sub-Divisions together with a few non-official members, of whom 50 per cent may be members of the District Boards, as members. Each Committee will meet twice a year to review progress and prepare suitable programmes and submit them to Government. There is no objection to the Committees in the three districts meeting together once a year for a general survey of the work done in connection with the Malnad Improvement Scheme.

10. On the detailed suggestions of the Committee for the improvement of sanitation, extension of medical relief, facilities for transport, spread of knowledge and redress of forest grievances and the like, Government do not propose to pass orders here. Some of the proposals, as for example, that regarding the Kadur-Chikmagalur Railway, have, independently of the report of the Committee, been already sanctioned. Some others are under active consideration in the respective departments of Government. Each of these suggestions will be taken up separately and orders issued in due course.

11. On one of these recommendations, however, Government wish, in view of the importance of the subject, to indicate their policy. Government are fully in agreement with the Committee in their recommendation regarding the grant of facilities to the members of the Depressed Classes to acquire lands in the Malnad. While Government have no objection to grants being made to individual applicants of these classes, they would prefer to have a practicable scheme worked out for dealing with groups of 25 or 30 applicants formed into Co-operative Societies for the acquisition and cultivation of land as also for arranging for the profitable marketing of the produce raised by them. Government are prepared to help these societies with funds in the initial stages and, in view of the difficulty of finding competent men of the community to manage the societies, to give them the services of suitable persons for managing the work of the societies until men of their own class become available to undertake such work. The Registrar of Co-operative Societies and the Director of Agriculture are requested to consider the matter and submit a joint report to Government within a month from the date of this Order.

12. Government trust that the scheme for Land Mortgage Banks sanctioned in this Order will find adequate popular support and that the leaders of the people in the Malnad will help to make these Banks a success. The Deputy Commissioners of the three districts concerned are requested to call together a meeting of the leading citizens of the districts and after ascertaining what support the scheme is likely to receive at their hands, submit definite proposals for the orders of Government. These proposals should be submitted by the end of November next.

13. Government wish to take this opportunity to re-affirm the policy that has been pursued so far in regard to the Malnad. They recognize that the Malnad area, as well as some others similarly constituted, stand in need of special attention. They have under contemplation a health survey of the State and as it is intended that the survey should have special reference to malaria and hookworm disease, it will relate mainly to the Malnad. Government have recently included the Hunsur and Heggaddevankote Taluks of the Mysore District in the area of operation of the Malnad Improvement Scheme. In addition to the usual departmental grants in which the Malnad Taluks along with other parts of the State participate, Government will continue to allot a special grant every year for meeting the expenditure involved by measures specially taken up under the Malnad Improvement Scheme. The measures which Government have sanctioned or may sanction can, however, be really successful only with the willing and active co-operation of the people of the Malnad. Government have hopes that such co-operation will be forthcoming.

14. In conclusion, Government desire to express their thanks to Mr. K. Chandy, the Chairman, and the official and non-official members of the Committee for the great care they have bestowed on the consideration of the matter referred to them and for the valuable report they have furnished. They also desire to place on record their high appreciation of the labours of Mr. Kesava Iyengar, Special Economic Survey Officer, and note with satisfaction the opinion of the Committee regarding the ability and zeal with which Mr. M. Venkatesa Iyengar assisted the Committee in the work entrusted to them.

R. RANGA RAO,
General Secretary to Government.

LOCAL AND LEGISLATIVE SECRETARIAT

Village Panchayet Regulation,

ORDER NO. L. 2500-14—L. B. 26-26-40, DATED 5TH OCTOBER 1926.

As the Village Panchayet Regulation has come into operation and as orders of Government on certain points are necessary in order to bring the Regulation into force in the districts, Government are pleased to pass orders on the several points detailed in the following paragraphs. In doing so, Government have taken into consideration the recommendations of the Mysore Inamdars' Association and the opinions of the Deputy Commissioners of Districts.